

## **GENERAL ORDER 153**

### **Public Utilities Commission of the State of California PROCEDURES FOR ADMINISTRATION OF THE MOORE UNIVERSAL TELEPHONE SERVICE ACT GENERAL ORDER**

#### **1. GENERAL**

- 1.1 Intent – The purpose of this General Order is to implement the Moore Universal Telephone Service Act [California Public Utilities Code § 871 et seq.]. The Act is intended to provide low-income households with access to affordable basic residential telephone service.
- 1.2 Applicability – This General Order is applicable to all telecommunications carriers operating in California and to residential customers eligible for Universal Lifeline Telephone Service furnished pursuant to the Moore Universal Telephone Service Act.

#### **2. DEFINITIONS**

- 2.1.1 “Act” – The Moore Universal Telephone Service Act, AB 1348, Ch. 1143, Stats. 1983 [Calif. Pub. Util. Code S 871 et seq.], as amended.
- 2.1.2 “Annual ULTS notice” – The written notice that each utility annually sends to all of its residential customers regarding the availability, terms, and conditions of ULTS.
- 2.1.3 “Basic Residential Telephone Service” – A class of local telephone service designed to meet the minimum communication needs of residential customers. The elements of basic residential telephone service are set forth in Appendix A of this General Order. Basic residential telephone service is sometimes referred to as basic service.
- 2.1.4 “Business Day” – Official business day of the State of California.
- 2.1.5 “California High Cost Fund B (CHCF-B)” – A fund established by the Commission in D.96-10-066 for the purpose of subsidizing residential telephone service provided by COLRs in designated high-cost areas of the State.
- 2.1.6 “Carrier of Last Resort (COLR)” – A carrier that is required by D. 96-10-066 to provide telephone service, upon request, to all residential and business customers within a designated geographic area. A COLR may be designated as such pursuant to D.96-10-066, Appendix B, Rule 6.D.1, or voluntarily acquire such status pursuant to D.96-10-066, Appendix B, Rule 6.D.4.
- 2.1.7 “Certification” – When an individual is applying to enroll in ULTS.
- 2.1.8 “Certification Process” – A process that a customer must undergo when applying to enroll in ULTS.
- 2.1.9 “Certifying Agent (CertA)” – A third-party administrator retained by the Commission to certify and verify the eligibility of ULTS customers.

- 2.1.10 “Certification date” – The deadline for a completed certification form and supporting documentation, if any, to be received by the CertA.
- 2.1.11 “Commission” – The California Public Utilities Commission.
- 2.1.12 “Customer-Owned Pay Telephone (COPT)” – A pay telephone (coin or coinless) owned by a person or a business other than a phone company for public or non-public use.
- 2.1.13 “Deaf and Disabled Telecommunications Program (DDTP)” – A public program established pursuant to Pub. Util. Code § 2881 et seq., to provide persons who are deaf, hard of hearing, or disabled with free telecommunications equipment and services for the purpose of enabling such customers to communicate over the public telephone network.
- 2.1.14 “Deposit” – Money paid by the customer as security to the serving utility in order to establish or re-establish service as required by the utility’s tariffs.
- 2.1.15 “Disabled Person” – A person who is qualified to obtain free telecommunications equipment and services through the DDTP pursuant to Pub. Util. Code § 2881 et seq.
- 2.1.16 “Eligible Telecommunications Carrier (ETC)” – A carrier designated by a state commission pursuant to Subpart C of Title 47 of the Code of Federal Regulation (47 C.F.R.) § 54.201. An ETC is required to provide to qualified low-income customers the services described in Subpart E of 47 C.F.R., and the ETC is eligible to receive the federal financial support for the provision of such services.
- 2.1.17 “End-user intrastate telecommunications services” – All telecommunications services that both originate and terminate within the State of California, whether tariffed or untariffed, that are used by, and billed to, the final user of the service.
- 2.1.18 “End-User Common Line (EUCL) Charge” – The federally mandated monthly charge assessed directly on end-users of telecommunications services to recover portion of a utility’s interstate-allocated cost of the access line between the utility’s central office and the end-user’s premises.
- 2.1.19 “Enrollment” – When a customer begins to receive ULTS discounts.
- 2.1.20 “Exchange Area” – An area shown on maps filed in a utility’s tariff schedules within which the utility holds itself out to furnish exchange telephone service from one or more central offices serving that area.
- 2.1.21 “Extended Area Service (EAS)” – An exchange service available to customers in a particular exchange or district area for communication throughout that exchange and other designated areas in accordance with the provisions of a carrier’s exchange tariffs.
- 2.1.22 “Flat-Rate Local Service” – Local telephone service satisfying the requirements of basic residential telephone service which is furnished for a fixed periodic charge and provides unlimited local calls without additional charges.
- 2.1.23 “Gross revenues” – All revenues billed by a telecommunications carrier for the provision of intrastate telecommunications services, excluding all federal, state, and

local taxes and all accounts that have been found to be worthless and written off for income tax purposes or, if the telecommunications carrier is not required to file income tax returns, written off in accordance with generally accepted accounting principles.

- 2.1.24 "Household" – A ULTS customer and those persons, if any, living with the ULTS customer in a single residence.
- 2.1.25 "Income-based criterion" – An eligibility based on the customer's household size and corresponding income limit established by the Commission.
- 2.1.26 "Incumbent Local Exchange Carrier (ILEC)" – The former monopoly provider of local exchange service in a given service area. ILECs are required to serve as a COLR pursuant to D.96-10-066, Appendix B, Rule 6.D.1.
- 2.1.27 "Intrastate telecommunication service" – Means any of the following:
  - 2.1.27.1 A telecommunication for which there is a toll charge that varies in amount with the distance and/or the elapsed transmission time of each individual communication, where the point of origin and the point of destination are located within this state.
  - 2.1.27.2 A service that entitles the subscriber, upon payment of a periodic charge (determined as a flat amount or upon the basis of total elapsed transmission time), to the privilege of an unlimited number of telecommunications to or from persons having telephone, data, or radio telephone stations that are outside or within the exchange area in which the station provided with the service is located, where the point of origin and the point of destination are located within this state.
  - 2.1.27.3 A service that entitles the subscriber, upon payment, to transfer or move information whether voice, data, digital, or video in nature where the point or points of origin and the point or points of destination of the service are located in this state.
- 2.1.28 "In This State" – Means within the interior limits of the State of California and includes all territory within those limits owned by or ceded to the United States of America.
- 2.1.29 "Local Call" – A completed call or telephonic communication between a calling station and any other station within the designated local exchange area plus any extended area service of the calling station.
- 2.1.30 "Measured-Rate Local Service" – A local telephone service satisfying the requirements of basic residential telephone service for which there is a usage-based charge for some or all local calls.
- 2.1.31 "Medical Certificate" – A certificate signed by a medical professional which states that a designated telephone customer has a disability that qualifies the customer for specialized telecommunications equipment from the DDTP. Medical certificates must comply with Pub. Util. Code §2881 et seq.

- 2.1.32 “Program-based Criterion” – An eligibility based on participation in various means-tested programs approved by the Commission.
- 2.1.33 “Qualifying Equipment” – Equipment that a household must possess in order to qualify for more than one ULTS line.
- 2.1.34 “Qualifying Household” – A customer who is eligible to receive ULTS.
- 2.1.35 “Public Advisor” – An organizational unit within the Commission that is responsible for carrying out those duties and responsibilities related to the ULTS program that are set forth in this General Order.
- 2.1.36 “Re-certification” – For the purpose of this General Order, re-certification is synonymous with verification.
- 2.1.37 “Regular Tariff Rates” – A carrier’s or utility’s rates and charges for telecommunications services that are applicable to non-ULTS residential customers.
- 2.1.38 “Residence” – That portion of an individual house, building, flat, or apartment (a dwelling unit) occupied entirely by a single family or individual functioning as one domestic establishment. A room or portion of a dwelling unit occupied exclusively by an individual not sharing equally as a member of the domestic establishment may be considered a separate residence for the application of Universal Lifeline Telephone Service.
- 2.1.39 “Residential Local Service” – Basic residential telephone service furnished to a customer at a residence or place of dwelling where the actual or obvious use is for domestic purposes and not for business purposes.
- 2.1.40 “Service” – Basic residential telephone service furnished to a customer at a residence or place of dwelling where the actual or obvious use is for domestic purposes and not for business purposes.
- 2.1.41 “Service Connection Charge” – A charge designed to recover in part certain expenses incident to the installation of telephone service.
- 2.1.42 “Service Conversion Charge” – A charge designed to recover certain expenses incident to changing the class, type, or grade of ULTS, such as switching from measured-rate local service to flat-rate local service.
- 2.1.43 “Surcharge” – The percentage increment, as determined by the Commission, that is applied to the end-user’s bill by the carrier for intrastate telecommunications services.
- 2.1.44 “Telecommunications Carrier ” – Any provider of end-user intrastate telecommunications services such as local exchange carriers, competitive local carriers, interexchange carriers, commercial mobile radio service carriers, and paging companies. Pursuant to Pub. Util. Code §234(b), the definition of “telecommunications carrier” excludes providers of one-way paging service.
- 2.1.45 “Telecommunications Division (TD)” – An organization within the Commission that is responsible for carrying out those duties and responsibilities related to the ULTS program that are set forth in this General Order.

- 2.1.46 “Text-Telephone Device” – A device used by disabled persons to send and receive information over a telephone line in text and graphic forms. A text-telephone device is commonly referred to as a “TTY.”
- 2.1.47 “Three-Month Commercial Paper Rate” – The 3-month commercial paper rate published in the Federal Reserve Statistical Release, G-13.
- 2.1.48 “Third-Party Administrator” – see definition of CertA.
- 2.1.49 “Toll Blocking” – A service provided by a carrier that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel.
- 2.1.50 “Toll Control” – A service provided by a carrier that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.
- 2.1.51 “Toll Limitation Service” – A service that includes, but is not limited to, toll blocking or toll control service.
- 2.1.52 “Total Household Income” – All revenues, from all household members, from whatever source derived, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income.
- 2.1.53 “ULTS” – Universal Lifeline Telephone Service. ULTS is a class of subsidized local telephone service designed to meet the minimum communication needs of low-income residential customers. ULTS includes all of the service elements set forth in Appendix A of this General Order. ULTS is funded by a surcharge on all end users of intrastate telecommunications services except for certain services set forth in this General Order. ULTS is sometimes referred to as “California LifeLine” or “Lifeline service.”
- 2.1.54 “ULTS Trust Administrative Committee (ULTSAC)” – An advisory board that advises the Commission on the development, implementation, and administration of the ULTS program to ensure lifeline telephone service is available to the people of the state, as provided by the Act.
- 2.1.55 “ULTS Trust Administrative Committee Fund (ULTS Fund)” – A repository of ULTS surcharge monies used to reimburse utilities and others as directed by the Commission for the costs associated with the provision and administration of the ULTS program.
- 2.1.56 “ULTS Line” – A single subsidized telephone connection provided by a utility under the ULTS program to a qualifying household.
- 2.1.57 “Utility” – A telecommunications carrier that offers ULTS as defined by this General Order. All telecommunications carriers that offer residential local exchange service are required to offer ULTS.
- 2.1.58 “Verification” – Annual confirmation of customer’s ULTS eligibility.

- 2.1.59 “Verification Process” – A process that an existing ULTS customer must undergo annually to remain on the ULTS program.
- 2.1.60 “Verification date” – The deadline for a completed verification form and supporting documentation, if any, to be received by the CertA.

### 3. TARIFF FILINGS

- 3.1 Telecommunications carriers that are required to file tariffs with the Commission shall include in their tariffs the requirement to collect the ULTS surcharge from their customers.
- 3.2 Utilities that are required to file tariffs with the Commission shall include in their tariffs the requirement to offer ULTS to the public under the terms and conditions that reflect the requirements of Pub. Util. Code § 871 et seq., relevant Commission decisions, and this General Order.
- 3.3 Any telecommunications carrier that offers ULTS shall file tariffs regarding the provision of ULTS that reflect the requirements of Pub. Util. Code § 871 et seq., relevant Commission decisions, and this General Order.
- 3.4 All tariff filings pertaining to any aspect of the ULTS program and/or the ULTS surcharge shall be filed in accordance with Calif. Pub. Util. Code § 489 and General Order 96. No tariff shall substantially depart from the intent of this General Order.

### 4. NOTICES, ENROLLMENT, AND FORMS

- 4.1 Initial ULTS Notice.
  - 4.1.1 Utilities shall inform new customers calling to establish residential local exchange telephone service about the availability of ULTS, a discount program for customers with a household member currently enrolled in certain public assistance programs or customers with low household income. If customers indicate that they are interested in subscribing to ULTS, utilities shall enroll customers in ULTS in accordance with Section 4.2 of this General Order
  - 4.1.2 Utilities shall not link the availability of discounted phone service under the ULTS program with the sale of non-ULTS services.
- 4.2 Enrollment.
  - 4.2.1 Utilities shall ask the customer whether he/she is currently or within the last 30 days has been enrolled in ULTS by another utility.
    - 4.2.1.1 If yes, immediately enroll the customer in the ULTS program and inform the customer that: (i) except as provided for elsewhere in this Section, he/she can have only one ULTS line; and (ii) his/her continued enrollment will be verified by a third-party administrator. If the third-party administrator cannot confirm the customer’s continued eligibility, the customer will be treated as a new ULTS customer and be subject to the certification process.

- 4.2.1.2 If no, ask the customer if any member of the household is enrolled in a public assistance program.
  - 4.2.1.2.1 If yes, read the means-tested programs listed in Section 5.1.5 of this General Order and ask the customer whether the household member is enrolled in any of these programs. Utility may use the step-down approach when reading the means-tested programs and stop when the customer confirms that a household member is enrolled in an approved program.
    - 4.2.1.2.1.1 If customer verbally certifies participation in an approved public program, immediately enroll the customer in ULTS and inform the customer that:
      - (i) the customer will be receiving a certification form in the mail for completion and submission;
      - (ii) the completed certification form must be returned and received by the third-party administrator by the due date indicated in the form; and (iii) if the customer fails to qualify for ULTS by the certification date, the customer will be removed from the ULTS program, will be billed for ULTS discounts received by the customer, and will be subject to the utility's rules applicable to the establishment of credit.
  - 4.2.1.2.2 If no, ask the customer about his/her household size and read the corresponding ULTS income limit that the customer must meet in order to qualify for ULTS. The utility shall also inform the customer that he/she must also provide income document(s) substantiating the household income. If the customer verbally certifies that he/she meets the ULTS income limit and has income documentation, the utility shall immediately enroll the customer in ULTS, and inform the customer that: (i) the customer will be receiving a certification form in the mail for completion and submission; (ii) the completed certification form and supporting income document(s) that reflect total household income must be returned and received by the third-party administrator by the due date indicated in the form; and (iii) if the customer fails to qualify for ULTS by the certification date, the customer: i) will be removed from the ULTS program; ii) will be billed for ULTS discounts received by the customer; and iii) may be subject to the utility's rules applicable to the establishment of credit.
- 4.2.2 Utilities must inform the customer that he or she may opt to receive the certification form in Braille (English Only) or in large print.
- 4.2.3 Utilities shall also inform the customer of the availability of 2 ULTS lines if a member of the household uses a TTY when making a call.

- 4.2.3.1 If the customer verbally certifies that he/she qualifies for 2 ULTS lines, the utility shall immediately enroll the customer for the second ULTS line and remind the customer that he/she must provide proof for the need of a TTY as outlined in Section 5.1.7 of this General Order.

#### 4.3 Annual ULTS Notice.

- 4.3.1 Every utility shall annually send to all of its residential customers, other than customers of ULTS, foreign exchange, or farmer lines, a notice that contains information about the availability, terms, and conditions of ULTS.
  - 4.3.1.1 The annual notice shall include information about the availability, terms, and conditions of two ULTS lines for qualified disabled persons.
  - 4.3.1.2 Every utility shall submit its annual notice to the Commission Public Advisor (PA) for the PA's review and approval. Once approved, a utility does not need to resubmit its annual notice to the PA unless there is a material change to the notice. A change to the annual notice to reflect the annual adjustment to ULTS income eligibility limits is not a material change to the notice.

#### 4.4 Customer Certification Forms.

- 4.4.1 Certification Forms are used when customers are applying to enroll in ULTS.
  - 4.4.1.1 A copy of the Certification forms and associated instructions are attached to this General Order as Appendix B.
    - 4.4.1.1.1 The instructions must inform ULTS customers that the Commission or the Commission's agent may audit the customer's eligibility to participate in the ULTS program. If the audit establishes that the customer is ineligible, the customer will be removed from the ULTS program and billed for previous ULTS discounts that the customer should not have received plus interest equal to the 3-month commercial paper rate.
    - 4.4.1.1.2 The instructions must inform ULTS customers that submitted income and/or supporting documentation will not be returned to the customers.
  - 4.4.1.2 The Certification forms mailed to customers for completion will be partially completed by the CertA based on information provided by utilities.

#### 4.5 Customer Verification Forms.

- 4.5.1 Verification forms are used annually to determine customers' continued eligibility in ULTS.
  - 4.5.1.1 A copy of the Verification forms and associated instructions are attached to this General Order as Appendix C.



- 4.5.1.1.1 The instructions must inform ULTS customers that the Commission or the Commission's agent may audit the customer's eligibility to participate in the ULTS program. If the audit establishes that the customer is ineligible, the customer will be removed from the ULTS program and billed for previous ULTS discounts that the customer should not have received plus interest equal to the 3-month commercial paper rate.
- 4.5.1.1.2 The instructions must inform ULTS customers that submitted income and/or supporting documentation will not be returned to the customers.

4.5.1.2 The Verification forms mailed to customers for completion will be partially completed by the CertA based on information provided by utilities.

#### 4.6 ULTS Notices in the Language of Sale.

- 4.6.1 With the exception of those sales involving the use of an outside translation service, any utility that sells ULTS in a language other than English shall provide those customers to whom it sold ULTS in a language other than English with the following:
  - 4.6.1.1 Commission-managed ULTS notices in the language in which the utility originally sold ULTS to the customer.
  - 4.6.1.2 Toll-free access to customer service reps who are fluent in the language in which the utility originally sold ULTS to the customer.

### 5. ELIGIBILITY CRITERIA FOR OBTAINING AND RETAINING ULTS

5.1 ULTS is available to any residential customer who meets all of the following eligibility requirements:

- 5.1.1 The residence at which the service is requested is the customer's principal place of residence.
- 5.1.2 The customer and the members of the customer's household collectively have one, and only one, ULTS line, except as provided for elsewhere in Section 5 of this General Order.
- 5.1.3 The customer's eligibility meets either the income-based criterion or the program-based criterion.
- 5.1.4 Income-based criterion allows a customer to enroll in ULTS based on his/her household income, i.e. members of the customer's household collectively earn no more than the following amount of annual income:

<u>Household Size</u>	<u>ULTS Income Limits</u> <u>Effective 6/1/05 through 5/31/06</u>
1-2 members	\$20,600 per year

3 members	\$24,300 per year
4 members	\$29,200 per year
Each additional member	\$4,900 per year

- 5.1.4.1 The income used to determine eligibility for the ULTS program shall be based on the definition of “total household income” as defined in this General Order.
- 5.1.4.2 For households with self-employed members, the “income from self-employment” shown on IRS Form 1040, Schedule C, line 29, shall be used in the determination of whether a household is eligible to participate in the ULTS program.
- 5.1.4.3 Borrowed money shall not be considered as income when determining eligibility for the ULTS program.
- 5.1.4.4 Funds transferred from one account to another, such as from savings account to a checking account, shall not be considered as income when determining eligibility for the ULTS program, even if such funds are used for living expenses.
- 5.1.4.5 The customer must provide income documentation substantiating his/her household income. Acceptable income documents are:
  - 5.1.4.5.1 Prior year’s state, federal, or tribal tax return
  - 5.1.4.5.2 Current income statement from an employer or paycheck stub for three consecutive months worth of the same type of statements within the last 12 months.
  - 5.1.4.5.3 Statement of benefits from Social Security, Veterans Administration
  - 5.1.4.5.4 Statement of benefits from retirement/pension, Unemployment/Workmen’s Compensation
  - 5.1.4.5.5 A divorce decree
  - 5.1.4.5.6 Child support document
  - 5.1.4.5.7 Other official documents
- 5.1.5 Program-based criterion allows a customer to enroll in ULTS based on the customer’s or a member of the customer household’s participation in any of the means-tested programs approved by the Commission. Approved means-test programs are:
  - 5.1.5.1 Medicaid or Medi-Cal
  - 5.1.5.2 Food Stamps
  - 5.1.5.3 Supplemental Security Income
  - 5.1.5.4 Federal Public Housing Assistance (Section 8)
  - 5.1.5.5 Low Income Home Energy Assistance Program (LIHEAP)

- 5.1.5.6 Temporary Assistance for Needy Families (TANF)
- 5.1.5.7 National School Lunch's free lunch program (NSL)
- 5.1.5.8 Tribal TANF
- 5.1.5.9 Bureau of Indian Affairs General Assistance
- 5.1.5.10 Head Start Income Eligible (Tribal Only)
- 5.1.5.11 Healthy Families Category A
- 5.1.5.12 Women, Infants and Children (WIC)
- 5.1.6 No customer who is claimed as a dependent on another person's income tax return shall be eligible for ULTS.
- 5.1.7 A household shall be eligible to receive two ULTS lines if: (i) the household meets all ULTS eligibility criteria set forth above; (ii) the household has a disabled member who has immediate and continuous access within the household to a TTY; and (iii) the TTY is issued by DDTP or a medical certificate indicating the household member's need for a TTY is submitted.
- 5.1.8 All ULTS rules and regulations that apply to the one ULTS line shall apply equally to the second ULTS line provided to a household.
- 5.2 The ULTS income limits will be adjusted each year for inflation based on the Federal Consumer Price Index - Urban Areas.
  - 5.2.1 TD shall adjust ULTS income limits by April 15th of each year. TD shall notify utilities of the annual adjustment within five business days of the adjustment being made. Utilities shall implement the adjusted ULTS income limits by no later than June 1st of each year.
    - 5.2.1.1 To implement the annual adjustment to ULTS income limits, utilities shall follow one of the following procedures:
      - 5.2.1.1.1 (i) file revised tariffs that reflect (a) the adjusted income limits, and (b) the instructions, if any, contained in the notice of the annual adjustment sent by TD; and (ii) revise their annual ULTS notice to reflect the adjusted ULTS income limits.
      - 5.2.1.1.2 (i) file revised tariffs once concurring with Pacific Bell (dba AT&T California) tariffs on the ULTS income limits; and (ii) revise their annual ULTS notice to reflect the adjusted ULTS income limits. Any utility concurring with Pacific Bell (dba AT&T California) shall do so in accordance with the liability limitations set forth in Pacific Bell's (dba AT&T California) tariff.
- 5.3 No utility shall knowingly enroll into the ULTS program a customer who does not meet the ULTS eligibility criteria. No utility shall knowingly allow a customer to remain in the ULTS program who does not meet the ULTS eligibility criteria.
- 5.4 Each customer enrolling in the ULTS program is subject to the certification process described below:

- 5.4.1 At Certification, the customer has the option of enrolling in ULTS under either: (i) the program-based criterion, or (ii) the income-based criterion.
  - 5.4.1.1 If the customer has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer should enroll under the program-based criterion and complete the certification form entitled “ULTS Program-Based Certification Form.”
  - 5.4.1.2 If the customer does not have a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer *must* enroll under the income-based criterion and complete the certification form entitled “ULTS Income-Based Certification Form”.
- 5.4.2 The Certification form that a customer chooses to file shall be signed by the customer whose name appears on the utility’s account, the customer’s legal guardian or a person operating pursuant to a power of attorney for such customer.
  - 5.4.2.1 By signing the form, the customer is self-certifying, under penalty of perjury, that the information contained in the completed form and submitted documents, if any, are true and correct.
- 5.4.3 The completed certification form and supporting documents, if any, must be received by the CertA on or before the certification date specified in the form.
- 5.4.4 Any customer who fails to qualify for ULTS by the certification date shall be removed from the ULTS program and converted to regular service. Upon notification from the CertA, the utility shall bill the customer for all ULTS discounts received by the customer, including all previously waived or discounted charges, service initiation charges, end user common line charges, taxes, and surcharges associated with ULTS discounts. The customer will also be subject to the utility’s rules applicable to the establishment of credit, including any deposit requirement.
  - 5.4.4.1 Where a utility has not filed for reimbursement from a state and/or federal fund for unauthorized ULTS discounts received by a customer as of the date of notification from CertA, the utility must not submit such reimbursement request to the state and/or federal fund.
  - 5.4.4.2 Where a utility has filed for reimbursement from a state and/or federal fund for unauthorized ULTS discounts received by a customer, the utility must return such amount in the next reimbursement request filed with the state and/or federal fund.
  - 5.4.4.3 A utility may treat any unpaid ULTS rates and charges, and unpaid back-billed ULTS discounts by the ineligible customer as bad-debt and seek reimbursement from the ULTS program pursuant to Section 9.3.9 of this General Order.
- 5.4.5 If a Customer has previously been certified while participating in the program with another carrier and subsequently changes carriers, while maintaining eligibility in all other respects, the Customer shall not be required to go through the certification process. If a Customer changes his or her principle place of residence, while

maintaining eligibility in all other respects, the Customer shall not be required to go through the certification process.

5.5 To remain in ULTS, each ULTS customer is subject to the annual verification process described below:

5.5.1 At verification, the customer has the option of qualifying his or her continued eligibility under either: (i) the program-based criterion, or (ii) the income-based criterion.

5.5.1.1 If the customer has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer should continue his/her ULTS enrollment under the program-based criterion and complete the verification form entitled "ULTS Program-Based Verification Form."

5.5.1.2 If the customer does not have a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer *must* continue his/her ULTS enrollment under the income-based criterion and complete the verification form entitled "ULTS Income-Based Verification Form".

5.5.2 The Verification form that a customer chooses to file shall be signed by the customer whose name appears on the utility's account, the customer's legal guardian or a person operating pursuant to a power of attorney for such customer.

5.5.2.1 By signing the form, the customer is self-certifying, under penalty of perjury, that the information contained in the completed form and all submitted documents, if any, are true and correct.

5.5.3 The completed verification form and all supporting documents, if any, must be received by the CertA on or before the due date specified in the form.

5.5.4 Any customer who fails to qualify for continued eligibility to ULTS shall be removed from the ULTS program. Upon notification from the CertA, the utility shall convert the customer to regular residential service starting with the removal date provided by the CertA.

5.5.5 Customers who wish to re-establish ULTS service after removal from the program will be treated as a new customer, subject to enrollment pursuant to Section 4.2 and a conversion charge. The ULTS discount will not be applied retroactively to the date of removal.

5.6 ULTS customers must notify the utility of any change that causes the ULTS customers to no longer qualify for (i) ULTS, or (ii) a second ULTS line. Upon receipt of notification, the utility will change ULTS to regular tariffed rates and charges for the services furnished. No service conversion charges shall be billed to the customer for this change in service.

5.6.1 The utility may require service deposits, if applicable.

5.7 The CPUC may reduce ULTS claim payments to a utility by the amount of ULTS discounts and interest that a utility fails to bill to an ineligible customer found to be participating in the ULTS programs.

- 5.8 The Commission or the Commission's agents may audit and verify a customer's eligibility to participate in the ULTS program.
  - 5.8.1 Any ULTS customer who is found to be ineligible to participate in the ULTS program shall be removed from the ULTS program.
    - 5.8.1.1 Upon notification from the Commission or the Commission's agent, the utility shall change the ineligible customer's ULTS to regular tariffed rates and charges for the services furnished. Such notification shall specify the effective date of the change. No service conversion charges shall be billed to the customer for this change in service.
      - 5.8.1.1.1 The utility may require service deposits, if applicable.
  - 5.8.2 The Commission or the Commission's agent may bill the ineligible customer for any ULTS discounts that the customer should not have received, plus interest determined in accordance with the 3-month commercial paper rate.
    - 5.8.2.1 The Commission or the Commission's agent will inform the utility that is also an ETC of the amount recovered from the ineligible customer and the applicable portion of this amount that should be returned to the federal Lifeline and/or Link-Up programs.
    - 5.8.2.2 The utility will include in the ULTS claim the amount remitted to the federal Lifeline and/or Link-Up programs as directed by the Commission or the Commission's agent.

## 6. CERTIFYING AGENT (CertA)

- 6.1 CertA is the third-party administrator retained by the CPUC.
  - 6.1.1 The role of the CertA is to qualify new ULTS customers and to verify the continued eligibility of existing ULTS customers.
    - 6.1.1.1 The CertA must furnish all ULTS forms, instructions and letters to customers in their preferred language, as that language preference is provided to the CertA by the utilities.
  - 6.1.2 The schedule that the CertA must adhere to in evaluating a customer's qualification is attached to this General Order as Appendix E.
- 6.2 All utilities must notify the CertA before their initial offering of ULTS services and arrange the 2-way exchange of ULTS customer data information. Direct link to the CertA is available at: [http://www.cpuc.ca.gov/static/telco/formnotices\\_public+program.htm](http://www.cpuc.ca.gov/static/telco/formnotices_public+program.htm).
- 6.3 Utilities shall provide ULTS customer information to CertA notwithstanding restrictions in their tariffs limiting the disclosure of non-published customer information.
  - 6.3.1 All utilities must provide the CertA with their ULTS customer activities before the end of the next business day after the in-service date of the customer's service order.
  - 6.3.2 All utilities must provide the CertA with their ULTS customer activities initiated by the utilities before the end of the next business day from the time such actions were taken.

6.3.3 CertA shall provide each utility the following lists of ULTS customers by the end of the next business day from the time of completion of customers' qualification review:

6.3.3.1 Newly enrolled ULTS customers that are found eligible to participate in ULTS.

6.3.3.2 Newly enrolled ULTS customers that are found ineligible to participate in ULTS.

6.3.3.3 Existing ULTS customers that are found eligible to remain in ULTS.

6.3.3.4 Existing ULTS customers that are found ineligible to remain in ULTS.

6.4 CertA shall notify customers in writing of the final settlement of their ULTS qualification including the right to challenge the CertA's findings.

6.4.1 Customers may dispute CertA's finding of ineligibility by submitting a formal or informal complaint to the Commission.

## 7. SERVICE ELEMENTS, SERVICE DEPOSITS & SERVICE REQUIREMENTS OF ULTS

7.1 Utilities shall offer to their ULTS customers all of the service elements set forth in Appendix A of this General Order.

7.2 ULTS is restricted to eligible low-income residential customers who subscribe to individual, two-party, four-party and suburban residential service.

7.3 ULTS is restricted to residential service. Foreign exchange, farmer lines, and other non-ULTS services are excluded from this offering.

7.4 Utilities shall not require customers to post a service deposit in order to initiate ULTS.

7.5 Utilities may require a ULTS customer to pay any overdue ULTS rates and charges, or make payment arrangements, before ULTS is reinstated at the same address or at a new address.

7.6 Other than previously stated, ULTS is subject to the conditions of "Discontinuance and Restoration of Service" as set forth in the utility's tariffs.

7.7 If a customer is disconnected for nonpayment of toll charges, a utility must provide ULTS to the customer if the customer elects to receive toll blocking.

## 8. ULTS RATES AND CHARGES

8.1 Utilities shall offer ULTS priced at the following rates and charges:

8.1.1 Discounted nonrecurring service connection charge for the initial installation of a single telephone connection at the ULTS subscriber's primary residence ("ULTS connection charge").

8.1.1.1 The ULTS connection charge shall equal the lower of (i) \$10.00, or (ii) 50% of the utility's regular tariffed service connection charge for the initial installation of a single residential telephone connection.

- 8.1.1.2 The ULTS connection charge is applicable to all qualifying households residing at the same address.
- 8.1.1.3 The ULTS connection charge is applicable any time a qualifying household (i) establishes ULTS, (ii) re-establishes ULTS at the same residence at which ULTS was previously provided, (iii) establishes ULTS at a new residence, or (iv) switches ULTS from one utility to another.
- 8.1.1.4 Utilities may not impose a “central office charge” in addition to the ULTS connection charge when installing ULTS.
- 8.1.1.5 Installation of a second and subsequent telephone service connections shall be subject to the utility’s regular tariffed rates for these connections, except that low-income households with a disabled member may qualify for ULTS connection charges on two residential telephone connections.
- 8.1.2 Deferred payment of the ULTS connection charge.
  - 8.1.2.1 Utilities shall offer ULTS customers the option of paying the ULTS connection charge in three equal monthly installments with no interest. Utilities may also offer ULTS customers the option of paying the ULTS connection charge in equal monthly installments with no interest for a period not to exceed 12 months.
  - 8.1.2.2 Utilities may charge a late-payment fee when ULTS customers fail to timely remit some or all of the ULTS connection charge under a deferred-payment schedule.
- 8.1.3 Discounted nonrecurring charge for service conversion (“ULTS conversion charge”).
  - 8.1.3.1 The ULTS conversion charge shall equal the lowest of (i) \$10.00, (ii) 50% of the utility’s regular tariffed non-recurring charge for the initial connection of a single residential telephone line or (iii) the utility’s regular tariffed non-recurring conversion charge.
  - 8.1.3.2 The ULTS conversion charge is applicable each time a ULTS customer requests a change in the class, type, or grade of service, including requests to change from Foreign Exchange Service. There is no limit on the number of times a ULTS customer may pay the ULTS conversion charge to effect a change in the class, type, or grade of service.
- 8.1.4 Discounted monthly rate for flat-rate local service (“ULTS flat-rate service”).
  - 8.1.4.1 The ULTS flat-rate service shall equal the lower of (i) 50% of the utility’s regular tariffed rate for flat-rate local service, or (ii) one-half of Pacific Bell’s (dba AT&T California) regular tariffed rate for flat-rate local service. One-half of Pacific Bell’s (dba AT&T California) regular tariffed rate for flat-rate local service is currently \$5.34 per month.
  - 8.1.4.2 ULTS customers subscribing to ULTS flat-rate service shall receive unlimited local calling.



- 8.1.5 Discounted monthly ULTS rate for measured-rate local service (ULTS measured-rate service).
  - 8.1.5.1 The ULTS measured-rate service shall equal the lower of (i) 50% of the utility's regular tariffed measured-rate service for local residential service, or (ii) one-half of Pacific Bell's (dba AT&T California) regular tariffed measured-rate service. One-half of Pacific Bell's (dba AT&T California) regular tariffed measured-rate service is currently \$2.85 per month.
  - 8.1.5.2 ULTS customers subscribing to ULTS measured-rate service shall receive 60 untimed local calls per month. The utility shall charge \$0.08 per call for each local call in excess of 60 per month.
- 8.1.6 Discounted monthly EAS rate.
  - 8.1.6.1 In exchanges with EAS, ULTS customers shall pay 50% of the applicable EAS increment. Unlimited incoming calls shall apply.
- 8.1.7 No charge for the federal EUCL charge.
- 8.1.8 No charge for toll-limitation service (including, but not limited to, toll blocking or toll control).
- 8.1.9 No charge [to ULTS customers' ULTS billings] for surcharges including the following: California High Cost Fund (CHCF-A) A surcharge, CHCF-B surcharge, California Teleconnect Fund surcharge, California Relay Service and Communications Device Fund surcharge, and ULTS surcharge.
  - 8.1.9.1 Utilities shall pay to the appropriate taxing authorities the applicable taxes, fees, and surcharges billed to ULTS customers and the ULTS Fund.
- 8.2 A utility may require advance payments for ULTS rates and charges not to exceed one month's rates and charges.
- 8.3 Optional services and equipment are not included in ULTS rates and charges, but will be available to ULTS customers at the applicable regular tariffed rates and charges.
  - 8.3.1 Each ULTS customer shall be eligible for one or more ULTS lines as set forth in this General Order, and ULTS customers may subscribe to additional, non-ULTS lines. Non-ULTS lines will be available to ULTS customers at the applicable regular tariffed rates and charges.
    - 8.3.1.1 This General Order shall not apply to any additional, non-ULTS lines that a ULTS customer subscribes to.
- 8.4 Except as specifically modified by this General Order, all rules, regulations, charges and rates in conjunction with the services furnished elsewhere in a utility's tariffs are also applicable to the service provided under ULTS.
- 8.5 TD shall notify utilities of any changes to the statewide ULTS rates and charges set forth in this General Order, including changes to the statewide recurring monthly rates for ULTS due to a change in Pacific Bell's (dba AT&T California) monthly rates for ULTS. Such notice shall inform utilities of the new statewide rates and charges for ULTS, and instruct utilities to file compliance tariffs, if necessary, to reflect the new statewide rates and

charges. Upon receipt of such notice, utilities shall file tariffs, if necessary, to implement the new statewide ULTS rates and changes.

## 9. REPORTS AND CLAIMS FOR REIMBURSEMENT OF ULTS-RELATED COSTS

### 9.1 Eligible Utilities.

9.1.1 Any utility that provides ULTS may submit a claim for the reimbursement of its ULTS-related costs and lost revenues.

### 9.2 Recoverable ULTS Costs and Lost Revenues.

9.2.1 A utility, regardless of whether or not it is an ETC, may recover from the ULTS Fund the reasonable costs and lost revenues that it incurs to provide ULTS to the extent that such costs and lost revenues meet all of the following criteria: (i) directly attributable to the ULTS program, (ii) would not otherwise be incurred in the absence of the ULTS program, (iii) not recovered from other sources, such as the rates and charges paid by ULTS customers, the utility's general rates, or subsidies from the federal Lifeline and Link Up programs, and (iv) specified in Sections 9.3 and 9.4 of this General Order.

### 9.3 Utilities may recover the following costs and lost revenues from the ULTS Fund:

9.3.1 Lost revenues caused by providing ULTS customers with (i) ULTS connection charges, (ii) ULTS conversion charges, (iii) discounted monthly rates for local service, and (iv) untimed local calls.

9.3.2 Each utility, on a per ULTS customer basis, may collect from the ULTS Fund an amount of lost revenues equal to the difference between (a) ULTS rates and charges, and (b) the lesser of the following: (i) the utility's regular tariffed rates and charges, or (ii) the regular tariffed rates and charges of the ULTS customer's incumbent local exchange carrier.

9.3.3 The federal EUCL charge that the utility pays on behalf of its ULTS customers.

9.3.4 The taxes, fees, and surcharges associated with the federal portion of the ULTS discount provided to ULTS customers beginning January 1, 1998.

9.3.5 The taxes, fees, and surcharges that a utility pays on behalf of its ULTS customers.

9.3.5.1 The base for calculating the reimbursable amount of federal Excise Tax shall include only the lost revenues from the following items: (a) conversion charges, (b) measured and/or flat rate service, (c) EUCL, (d) surcharges (including PUC user fee), and (e) allowable recovery of untimed calls. Service connection charges are exempted from the tax. The base for calculating the reimbursable amount of PUC user fee shall include only the lost revenues for the following items: (a) connection charges, (b) conversion charges, (c) measured and/or flat rate service, (d) surcharges claimed from the ULTS fund, and (e) allowable recovery of untimed calls. The following table summarizes how the federal excise tax and PUC user fee must be calculated and reported on the ULTS Claim Form:

<u>Base for Federal Excise Tax</u>	<u>Base for PUC User Fee</u>
Conversion charges	Connection charges
Measured	Conversion charges
Flat	Measured
EUCL	Flat
Allowable Recovery Untimed Calls	Allowable Recovery Untimed Calls
Surcharges:	Surcharges:
Bill & Keep/Other rate cases	Bill & Keep
PUC user fee	Other rate cases

- 9.3.5.2 Utilities shall not be reimbursed for federal excise taxes and PUC user fees unless such taxes and fees are calculated and reported in accordance with the above instructions.
- 9.3.5.3 If a utility's actual liability for the taxes, fees, and surcharges that it pays on behalf of its ULTS customers differs from the amount that was previously reimbursed by the ULTS Fund, the utility shall report the difference, whether positive or negative, as a true up on its ULTS Claim Form.
- 9.3.6 Interest and penalties assessed by taxing authorities that stem from the taxes, fees, and surcharges that utilities pay on behalf of their ULTS customers.
- 9.3.6.1 Any interest and penalties that clearly stem from the negligence of the utility shall not be reimbursed by the ULTS Fund.
- 9.3.6.2 TD may determine whether, and to what extent, the interest and penalties assessed by a taxing authority should be reimbursed by the ULTS Fund.
- 9.3.7 Administrative and interest costs incurred to provide deferred-payment schedules for ULTS connection charges. Reimbursement for interest costs shall be based on (i) the 3-month commercial paper rate, and (ii) the assumption that all deferred payment are made on time.
- 9.3.8 The incremental costs incurred by a utility to provide toll-limitation services free of charge to its ULTS customers to the extent that such costs are not recovered from the federal Lifeline program. All utilities shall determine their total incremental costs in the manner prescribed by the Federal Communications Commission.
- 9.3.8.1 The ULTS Fund shall not reimburse a utility for the regular tariffed rates and charges of its toll limitation services.
- 9.3.9 Bad-debt costs equal to the lowest of (i) the actual amount of the ULTS rates and charges that a ULTS customer fails to pay, plus the associated lost revenues that the utility may recover from the ULTS Fund, (ii) the actual amount of the ULTS rates and charges, and back-billed ULTS discounts that an ineligible customer fails to pay, or (iii) the deposit for local residential service, if any, that the utility normally requires from non-ULTS customers.

- 9.3.9.1 Utilities must take reasonable steps to collect bad debt costs from ULTS customers before they seek to recover these costs from the ULTS Fund. A utility that disconnects a customer for non-payment of ULTS rates and charges and/or back-billed ULTS discounts, pursuant to the applicable rules governing disconnection, shall be deemed to have undertaken reasonable collection efforts for the purposes of this section.
  - 9.3.9.2 Bad-debt expenses are limited to actual ULTS rates and charges, and back-billed ULTS discounts; and do not include other expenses such as the lease of unbundled loops or non-ULTS services.
- 9.3.10 The demonstrably incremental costs associated with the time spent by utility service reps to (i) notify residential customers about the availability of ULTS, (ii) ask residential customers if they are eligible to participate in the ULTS program, (iii) obtain verbal certification from residential customers regarding their eligibility to participate in the ULTS program, (iv) inform enrolled customers that they must return the signed self-certification form on or before the certification date specified in the form, and (v) inform enrolled customers of the yearly verification requirement.
- 9.3.11 The incremental costs incurred by a utility to develop, deploy, and operate systems and procedures associated with the provision of two ULTS lines to qualified low-income households with a disabled member.
- 9.3.12 The lost revenues associated with the provision of a second ULTS line to a particular ULTS customer, with lost revenues equal to the difference between (i) the ULTS rates and charges paid by the customer, and (ii) the lower of (a) the utility's normal tariffed rates and charges for one residential line (i.e., the "first" residential line provided to the customer) plus the EUCL charge for the second line, or (b) the ILEC's regular tariffed rates and charges for one residential line (i.e., the first line) plus the EUCL charge for the second line.
- 9.3.13 The incremental costs incurred by a utility to implement new reporting requirements ordered by the Commission in D.05-04-026 and subsequent order(s).
- 9.4 Utilities shall neither claim nor recover from the ULTS Fund any of the following costs and lost revenues:
  - 9.4.1 Advertising, marketing, and outreach costs.
  - 9.4.2 State 911 tax.
  - 9.4.3 Costs associated with non-ULTS services and activities, such as the costs associated with the sale of toll service, Caller ID, and voice mail to ULTS customers.
  - 9.4.4 Costs caused by the failure of ULTS customers to timely remit deferred payments of the ULTS connection charge, including costs for collecting on delinquent accounts and the time value of money. Utilities may recoup such cost via late-payment fees charged to ULTS customers who fail to timely remit deferred payments of the ULTS connection charge, but only to the extent that such costs are not recovered by utilities from other sources, such as the bad-debt costs built into a utility's general rates.

- 9.4.5 Lost revenues caused by the failure of ULTS customers to pay late-payment fees that the utility assesses when ULTS customers fail to timely remit deferred payments of the ULTS connection charge.
- 9.4.6 Costs associated with (i) processing ULTS service orders, and (ii) answering calls from ULTS customers about their bills.
  - 9.4.6.1 Costs associated with processing ULTS service orders and answering calls from ULTS customers regarding their bills may be recovered from the ULTS Fund to the extent that a utility can affirmatively demonstrate that such costs meet all of the criteria in Section 9.2.1.
- 9.4.7 Any costs or lost revenues associated with the provision of services that ETCs are required to provide under the federal Lifeline or Link Up programs, but which utilities are not required to provide under the ULTS program.
- 9.4.8 Any costs or lost revenues that the utility has recovered or will recover from other sources.
- 9.4.9 Any costs or lost revenues associated with the provision of non-ULTS lines to ULTS customers.
- 9.5 Schedule, Content, and Format of the ULTS Report and Claim Form.
  - 9.5.1 Utilities shall report and claim their ULTS-related costs and lost revenues by filing the ULTS Report and Claim Form (“ULTS Claim Form”) appended to this General Order.
    - 9.5.1.1 Claims must be accompanied by any supporting workpapers required by this General Order.
  - 9.5.2 Utilities shall file the ULTS Claim Form on a monthly basis unless a utility has obtained permission from TD to file the ULTS Claim Form on a biannual basis.
  - 9.5.3 Each ULTS Claim Form filed on a monthly basis shall be for a full month.
    - 9.5.3.1 Utilities that file ULTS Claim Forms on a monthly must also remit ULTS surcharge revenues on a monthly basis.
  - 9.5.4 Utilities may request permission from TD to file their ULTS Claim Forms on a biannual basis. The Commission and TD may specify and revise the conditions that utilities must meet in order to file their ULTS Claim Forms on a biannual basis.
    - 9.5.4.1 Utilities filing ULTS Claim Forms on a biannual basis must show a monthly breakdown of their claims on the ULTS Claim Form.
    - 9.5.4.2 Utilities shall not be paid interest on claims that are submitted on a biannual basis.
    - 9.5.4.3 Utilities that report and remit ULTS surcharges on a biannual basis must file ULTS Claim Forms on a biannual basis.
  - 9.5.5 Utilities must submit their ULTS Claim Forms to TD no later than 30 days after the close of the monthly or biannual period for which a claim is made.
- 9.6 Accessibility of ULTS Claim Information to the Public.

- 9.6.1 Each utility shall make available upon request in its main California office copies of all ULTS Report and Claim Statements filed with the Commission in compliance with these rules.
- 9.7 Review and Approval of Claims.
  - 9.7.1 Utilities shall submit ULTS claims to TD for review and determination of whether, and to what extent, ULTS claims should be paid. TD shall prepare payment letters for all approved claims. TD shall forward the payment letters to the Information and Management Services Division (IMSD). IMSD shall make payments as required by all payment letters.
    - 9.7.1.1 Claims submitted without proper supporting workpapers will be rejected.
    - 9.7.1.2 The utility will be provided with an explanation for the rejection of all or part of a claim.
    - 9.7.1.3 Any uncontested portions of the claim will be authorized for payment. Should it later be determined that all or a part of the contested portion of a claim was valid, the valid portion of the claims shall be paid with interest based on the three-month commercial paper rate.
- 9.8 Payment of Claims.
  - 9.8.1 Claims shall be paid in accordance with § 270(c) of the Public Utilities Code and Section 9.7.1 of this General Order.
  - 9.8.2 No payment will be made to a utility if there is not a sufficient amount in the ULTS Fund to pay approved claims.
  - 9.8.3 No payment will be made to a utility to pay approved claims if the appropriation in the State's Annual Budget Act for the ULTS Fund is exhausted.
  - 9.8.4 No payment will be made to a utility that has not reported its ULTS surcharge revenues.
  - 9.8.5 No payment will be made to a utility until all ULTS surcharge revenues due from the utility are remitted in full, along with interest on the late remittance based on an annual rate of 10%.
- 9.9 Interest on Claims.
  - 9.9.1 The ULTS Fund shall pay interest to utilities on monthly and biannual ULTS claims that are both timely and legitimate if such claims are not paid 60 days after the due date for utilities to submit their claims. The interest paid to utilities shall be based on the 3-month commercial paper rate.
    - 9.9.1.1 Accrual of interest shall commence on the 60th day after the claim was due to be submitted and end on the date that payment is made to the utility.
  - 9.9.2 No interest shall be paid on (i) claims that are not submitted by the due date, or (ii) claim payments that are withheld from a utility due to a utility's failure to timely report or remit ULTS surcharge revenues.
- 9.10 Time Limits for Submitting Initial Claims and True-up Claims.

- 9.10.1 Utilities shall not be reimbursed for ULTS claims that are filed more than two years after the claims are due.
- 9.10.2 Utilities that submit a timely claim shall have two years from the deadline for submitting the initial claim to submit a true-up claim. True-up claims shall not be paid if they are submitted more than two years from the deadline for submitting initial claims.
- 9.10.3 Interest shall be paid to, or received from, utilities that submit timely true-up claims. The rate of interest on true-up claims shall be based on the 3-month commercial paper rate.
  - 9.10.3.1 Accrual of interest shall commence on the 60th day after the initial claim was due to be submitted and end on the date that the “true-up” payment is made to, or received from, the utility.
- 9.10.4 There is no time limit for utilities to submit true-up claims associated with taxes, fees, and surcharges.
- 9.11 Obligation to Support and Justify Claimed Costs and Lost Revenues.
  - 9.11.1 Utilities have the burden of supporting and justifying any costs and lost revenues that they seek to recover from the ULTS Fund.
  - 9.11.2 TD may require utilities to submit workpapers, documents, and other information to support their ULTS claims. TD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this General Order for promulgating administrative revisions to the ULTS program.
  - 9.11.3 Utilities shall provide to the Commission or TD, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding costs and lost revenues claimed by the utility. Failure to provide information requested by the Commission or TD is reasonable grounds to deny costs and lost revenues claimed by the utility.
- 9.12 Carriers of Last Resort (COLRs).
  - 9.12.1 COLRs may draw financial support from the CHCF-B for two ULTS lines provided to low-income households in designated high cost areas of the State. The amount that a COLR may draw from the CHCF-B for the second ULTS line provided to a particular ULTS customer shall be governed by the same terms and conditions that apply to the COLR’s draws from the CHCF-B for the first ULTS line provided to the ULTS customer.
  - 9.12.2 TD may require COLRs to submit workpapers and other information to support their CHCF-B claims for second ULTS lines. Failure to provide information requested by TD is reasonable grounds to deny recovery from the CHCF-B of amounts claimed by the COLR.
- 9.13 For the recovery of incremental operating expenses, a competitive local exchange carrier (CLEC) has the option of receiving its reimbursement including data processing expense, customer notification expense, accounting expense, service representative costs, legal expenses, and administrative costs associated with the deferred payment plan based on a

cost-factor developed by TD. Once this option is exercised, it shall remain in effect for the entire fiscal year (FY).

9.13.1 This cost-factor shall be determined by the average incremental operating expense per customer per month excluding any zero claims filed by the ILECs and approved by TD.

9.13.2 By April 15 of each year, TD shall adjust this cost-factor to be applied in the coming FY based on the incremental operating expenses claimed by the ILECs during the previous calendar year and the formula identified in Section 9.13.1 of this General Order.

9.13.3 Each CLC must notify TD before the FY begins if it chooses to receive its incremental operating expenses based on this cost-factor.

## 10. ULTS SURCHARGE RATE & SURCHARGE BILLING BASE

10.1 All carriers shall assess, collect, and remit the ULTS surcharge.

10.2 The current ULTS surcharge rate is set forth in the Combined California PUC Telephone Surcharge Transmittal Form ("Surcharge Transmittal Form") that is available on the Commission's website (<ftp://ftp.cpuc.ca.gov/gopher-data/telecom/tranform.doc>).

10.3 The Commission shall set the ULTS surcharge rate based on the forecast of revenues subject to the surcharge and the funding requirements for the provision of ULTS to eligible customers, including ULTS marketing costs and program administrative costs.

10.3.1 Effective July 1, 2001, the ULTS surcharge rate will be annually revised, if necessary, on July 1st of each year.

10.4 Schedule for Filing Revenues and Expense Forecasts.

10.4.1 Each telecommunications carrier shall annually submit to TD an estimate of the carrier's projected gross revenues subject to the ULTS surcharge for the following year.

10.4.2 Each utility shall annually submit to TD a forecast of the utility's ULTS claims for the following year.

10.4.3 On or before June 1 of each year, the ULTSAC shall submit a proposed budget to TD. The proposed budget shall include estimated program expenditures and the Committee's projected expenses for the fiscal year (July 1 to June 30) that will commence thirteen (13) months thereafter.

10.4.4 TD's resolution adopting the revised ULTS surcharge rate may also adopt an annual budget for the ULTS Fund.

10.5 Surcharge Revenue Base.

10.5.1 All end-user intrastate telecommunications services, whether tariffed or untariffed, are subject to the ULTS surcharge, except for the following services:

10.5.1.1 ULTS billings.

10.5.1.2 Charges to other certificated carriers for services that are to be resold.



- 10.5.1.3 Coin sent paid telephone calls (coin in box) and debit card calls.
- 10.5.1.4 Usage charges for coin-operated pay telephones.
- 10.5.1.5 Customer-specific contracts effective before September 15, 1994.
- 10.5.1.6 Directory advertising.
- 10.5.1.7 One-way radio paging.

## 11. REPORTING AND REMITTANCE OF SURCHARGES

### 11.1 Surcharge Transmittal Form.

- 11.1.1 Every carrier shall report and remit ULTS surcharge revenues electronically at:  
<http://www.cpuc.ca.gov/static/telco/consumer+information/surcharges.htm>

### 11.2 Surcharge Remittance Schedule and Procedures.

- 11.2.1 Carriers shall report and remit ULTS surcharge revenues on a monthly basis in accordance with the instructions attached to the Surcharge Transmittal Form (STF). A sample copy of the STF and the instructions attached to the STF are available as one document on the Commission's website  
<http://www.cpuc.ca.gov/static/telco/consumer+information/surcharges.htm>.
- 11.2.2 Carriers may seek authority to submit the STF and remit ULTS surcharge revenues on a biannual basis in accordance with the instructions attached to the STF. Carriers that are granted such authority shall submit the STF and remit ULTS surcharge revenues in accordance with the instructions in the STF.

### 11.3 Method for Remitting and Reporting Surcharge Revenues.

- 11.3.1 Carriers shall report and remit their ULTS surcharge revenues based on intrastate end-user billings less estimated uncollectibles. Carriers shall true-up their estimated ULTS surcharge uncollectibles with their actual uncollectibles.

### 11.4 Interests on Late Surcharge Remittances.

- 11.4.1 Carriers that are late in remitting their ULTS surcharge revenues shall pay interest on the late remittances equal to an interest rate of 10%. Interest shall accrue beginning on the date the remittance are due and ending on the date that the surcharge revenues are remitted.

### 11.5 Warning Notices on Late Surcharge Remittances.

- 11.5.1 TD shall send two written notices to any carrier that is late in remitting ULTS surcharge revenues. The notices shall warn the carrier that it will lose its Certificate of Public Convenience and Necessity if it fails to remit past-due surcharge revenues and associated interest.

### 11.6 Reporting of Surcharge Over/Under Collection or Remittance.

- 11.6.1 Each carrier shall report any under or over collection of the ULTS surcharge as soon as it becomes known to the carrier. Each carrier shall report any under or over remittance of ULTS surcharge monies as soon as it becomes known to the carrier.

## 11.7 Surcharge Workpapers.

- 11.7.1 TD may require carriers to submit workpapers, documents, and other information to support their surcharge remittances. TD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this General Order for promulgating administrative revisions to the ULTS program.
- 11.7.2 Carriers shall provide to the Commission or TD, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding their surcharge remittances.

## 12. USE OF ELECTRONIC COMMUNICATIONS

- 12.1 The Commission's website may be used as a means to provide carriers, utilities, and other parties with access to information regarding the ULTS program. Such information may include: this General Order, Commission decisions, resolutions, rulings, staff reports, letters, and other documents pertinent to the ULTS program.
- 12.2 TD may provide notice to carriers, utilities, and other parties of important matters regarding the ULTS program by e-mail that (i) briefly describe the matter being noticed, (ii) provide information on how to obtain more detailed information and/or documents regarding the matter being noticed from the Commission's website, and (iii) the phone number of a contact person from whom the information and/or documents can be obtained.
  - 12.2.1 When appropriate, notice of matters pertaining to the ULTS program may be combined with notices pertaining to other public programs, such as the CHCF-B and DDTP.

## 13. AUDITS AND RECORDS

- 13.1 The Commission, Commission staff, and agents of the Commission may audit carrier's remittance of ULTS surcharge revenues and utilities' ULTS claims.
- 13.2 The scope of audits shall be limited to five calendar years following the calendar year in which ULTS surcharge revenues are remitted or ULTS claims submitted, except in cases where there appears to be malfeasance, such as gross waste, fraud, or abuse. Where there is an indication of malfeasance, the scope of the audit will depend on the law and circumstances existing at that time.
- 13.3 TD shall authorize the ULTS Fund to promptly reimburse a utility for the underpayment of ULTS claims found by a Commission audit. Any underpayment of ULTS claims found by an audit shall accrue interest based on the 3-month commercial paper rate.
  - 13.3.1 If a utility believes that the amount of reimbursement is too little, the utility may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the 3-month commercial paper rate.

- 13.4 Utilities that promptly reimburse the ULTS Fund for an overpayment of ULTS claims found by a Commission audit shall pay interest on the amount of overpayment based on the 3-month commercial paper rate, unless there is malfeasance on the part of the utility, in which case the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.
- 13.5 TD shall authorize the ULTS Fund to promptly reimburse a carrier for the over-remittance of ULTS surcharge revenues found by a Commission audit. Any over-remittance of ULTS surcharge revenues found by an audit shall accrue interest based on the 3-month commercial paper rate.
- 13.5.1 If a carrier believes that the amount of reimbursement is too little, the carrier may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the 3-month commercial paper rate.
- 13.6 Any under-remittance of ULTS surcharge revenues found by a Commission audit shall accrue interest at a 10% annual rate, unless the under-remittance is due to carrier malfeasance, in which case, the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.
- 13.7 If a carrier or utility does not promptly reimburse the ULTS Fund for an overpayment of ULTS claims or under-remittance of ULTS surcharge revenues that is discovered by an audit, then the Commission's Consumer Services and Information Division shall prepare an order instituting investigation (OII) on whether the entity should be required to reimburse the ULTS Fund for some or all of the amount identified in the audit.
- 13.7.1 Any amount that a carrier is found to owe to the ULTS Fund as a result of the OII shall accrue interest at a 10% annual rate, unless the amount owed is due to malfeasance, in which case the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.
- 13.7.2 Any amount that a utility is found to owe to the ULTS Fund as a result of the OII shall accrue interest based on the 3-month commercial paper rate, unless the amount owed is due to negligence or malfeasance, in which case the rate of interest shall depend on (i) the circumstances, and (ii) the law existing at the time the negligence or malfeasance is discovered.
- 13.8 Carriers shall retain all records related to ULTS surcharge remittances for a period of five calendar years following the year in which the surcharges are remitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that carriers must retain for five calendar years include all records pertaining to intrastate billings and collections.
- 13.9 Utilities shall retain all records related to a ULTS claim, including a true-up claim, for a period of five calendar years following the year in which the ULTS claim or true up claim is submitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that utilities must retain for five calendar years include (i) customer certification and re-certification forms, (ii) ULTS Claim

Forms and workpapers supporting the claim forms, and (iii) other documents and information on which the ULTS Claim Forms and workpapers are based.

14. REQUESTS FOR WAIVER OF ULTS PROGRAM ADMINISTRATIVE REQUIREMENTS

- 14.1 Carriers and utilities may request a waiver of any administrative requirement set forth in this General Order, including the administrative requirements pertaining to (i) the schedule, format, and content of workpapers that utilities must submit to support their ULTS claims, and (ii) the time limit for submitting ULTS claims.
- 14.2 Carriers and utilities may request a waiver by submitting a written waiver request to the Director of the TD. The request must provide a thorough explanation for why the waiver is necessary.
- 14.3 TD may attach conditions when granting a waiver request.
- 14.4 If a waiver involves the payment of money to or from a carrier or utility, TD may determine what rate of interest, if any, should apply to the payment(s) subject to the waiver.

15. FUTURE REVISIONS TO THIS GENERAL ORDER

- 15.1 This General Order shall be continuously updated and revised to reflect the future needs of, and changes to, the ULTS program in accordance with the Commission's orders and resolutions.

## General Order 153

### Appendix A Service Elements of ULTS

Universal Lifeline Telephone Service is composed of the service elements set forth below. All ULTS customers are entitled to receive every one of the service elements of ULTS, and every utility is required to offer all of the service elements of ULTS to each of its ULTS customers. The service elements of ULTS are as follows:

1. Access to (a) single party local exchange service, or (b) service that is equivalent, in all substantial respects, to single party local exchange service.
2. Access to all interexchange carriers offering service in the ULTS customer's local exchange.
3. Ability to place calls.
4. Ability to receive free unlimited incoming calls.
5. Free touch-tone dialing.
6. Free unlimited access to 911/E-911.
7. Access to local directory assistance (DA). Each utility shall offer to its ULTS customers the same number of free DA calls that the utility provides to its non-ULTS residential customers.
8. Access to foreign Numbering Plan Areas.
9. ULTS rates and charges.
10. Customer choice of flat-rate local service or measured-rate local service. The 17 smaller LECs identified in D.96-10-066 do not have to offer ULTS customers the choice of flat or measured-rate local service, unless the smaller LEC offers this option to its non-ULTS residential customers.
11. Free provision of one directory listing per year as provided for in D.96-02-072.
12. Free white pages telephone directory.
13. Access to operator service.
14. Voice grade connection to the public switched telephone network.
15. Free access to 800 or 800-like toll-free services.
16. One-time free blocking for information services and one-time billing adjustments for changes incurred inadvertently, mistakenly, or that were unauthorized.
17. Access to telephone relay services as provided for in Pub. Util. Code § 2881 et seq.
18. Toll-free access to customer service for information about ULTS, service activation, service termination, service repair, and bill inquiries.

19. Toll-free access to customer service representatives fluent in the same language (English and non-English) in which ULTS was originally sold.
20. Free access to toll-blocking service.
21. Free access to toll-control service, but only if (i) the utility is capable of offering toll-control service, and (ii) the ULTS customer has no unpaid bill for toll service.
22. Access to two residential telephone lines if a low-income household with a disabled person requires both lines to access ULTS.
23. Free access to the California Relay Service via the 711 abbreviated dialing code.

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Appendix B  
CERTIFICATION FORMS AND INSTRUCTIONS

A sample copy is available at: [www.CaliforniaLifeLine.com](http://www.CaliforniaLifeLine.com)

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Appendix C  
VERIFICATION FORMS AND INSTRUCTIONS

A sample copy is available at: [www.CaliforniaLifeLine.com](http://www.CaliforniaLifeLine.com)



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Appendix D  
ULTS Report and Claim Form

UNIVERSAL LIFELINE TELEPHONE SERVICE PROGRAM  
REPORT AND CLAIM FORM  
FOR THE PERIOD OF \_\_\_\_\_, 200\_\_

ULTS  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
TELECOMMUNICATIONS DIVISION  
505 VAN NESS AVENUE, 3<sup>rd</sup> FL  
SAN FRANCISCO, CA 94102

LOST REVENUE RECOVERY.\*

- |  |       |
|--|-------|
| 1. CONNECTION CHARGES (REGULAR CUSTOMERS).   | _____ |
| 2. CONVERSION CHARGES (REGULAR CUSTOMERS).   | _____ |
| 3. ALLOWABLE RECOVERY MEASURED SVC (REGULAR CUSTOMERS)   | _____ |
| 4. ALLOWABLE RECOVERY UNTIMED CALLS (REGULAR CUSTOMERS)  | _____ |
| 5. ALLOWABLE RECOVERY FLAT RATE SVC (REGULRR CUSTOMERS)  | _____ |
| 6. FCC END USER CHARGES (REGULRR CUSTOMERS)  | _____ |
| 7. CONNECTION CHARGES (DISABLED CUSTOMERS INCL.1 <sup>ST</sup> AND 2 <sup>ND</sup> LINES)                | _____ |
| 8. CONVERSION CHARGES (DISABLED CUSTOMERS INCL.1 <sup>ST</sup> AND 2 <sup>ND</sup> LINES)                | _____ |
| 9. ALLOWABLE RECOVERY MEASURED SVC (DISABLED CUSTOMERS INCL.1 <sup>ST</sup> AND 2 <sup>ND</sup> LINES)   | _____ |
| 10. ALLOWABLE RECOVERY UNTIMED CALLS (DISABLED CUSTOMERS INCL.1 <sup>ST</sup> AND 2 <sup>ND</sup> LINES) | _____ |
| 11. ALLOWABLE RECOVERY FLAT RATE SVC (DISABLED CUSTOMERS INCL.1 <sup>ST</sup> AND 2 <sup>ND</sup> LINES) | _____ |
| 12. FCC END USER CHARGES (DISABLED CUSTOMERS INCL.1 <sup>ST</sup> AND 2 <sup>ND</sup> LINES)             | _____ |
| 13. SURCHARGES, TAXES & FEES:  |       |
| A. BILL AND KEEP/ALL OTHERS RATE CASE SURCHARGES   | _____ |
| B. PUC USER FEE  | _____ |
| C. FEDERAL EXCISE TAX.   | _____ |
| D. LOCAL TAX.  | _____ |
| E. TOTAL SURCHARGES, TAXES & FEES (SUM OF A TO D)  | _____ |
| 14. TRUE-UP OF FEDERAL SUPPORT.  | _____ |
| 15. TOTAL UNRECOVERED REVENUE.   | _____ |

OPERATING EXPENSE RECOVERY.\*

- |  |       |
|--|-------|
| 16. DATA PROCESSING EXPENSE.               | _____ |
| 17. CUSTOMER NOTIFICATION EXPENSE.         | _____ |
| 18. ACCOUNTING EXPENSE.                    | _____ |
| 19. SERVICE REPRESENTATIVE COSTS           | _____ |
| 20. LEGAL EXPENSE.                         | _____ |
| 21. TOLL LIMITATION EXPENSE.               | _____ |
| 22. DEFERRED PAYMENT SCHEDULE COSTS:       |       |
| A. INTEREST COSTS                          | _____ |
| B. ADMINISTRATIVE COSTS                    | _____ |
| C. TOTAL DEFERRED PAYMENT COSTS (A + B)    | _____ |
| 23. BAD DEBT COSTS.                        | _____ |
| 24. OTHER EXPENSES, TRUE UPS, and CREDITS. | _____ |
| 25. TOTAL OPERATING EXPENSES CLAIMED.      | _____ |

IMPLEMENTATION COSTS OF NEW REPORTING REQUIREMENTS (NON-RECURRING):

ORDERED BY COMMISSION ORDER: \_\_\_\_\_

- |  |       |
|--|-------|
| 26. DATA PROCESSING                                      | _____ |
| 27. CUSTOMER NOTIFICATION                                | _____ |
| 28. ACCOUNTING   | _____ |
| 29. SERVICE REPRESENTATIVE COSTS                         | _____ |
| 30. LEGAL  | _____ |
| 31. TOTAL IMPLEMENTATION COSTS (SUM OF LINES 26 THRU 30) | _____ |
| 32. TOTAL CLAIMS (LNS 15+25+31).*                        | _____ |

\* Claimed amounts should be net of the subsidies, if any, that the ULTS provider expects to receive from the federal Lifeline and Link-up programs.

UNIVERSAL LIFELINE TELEPHONE SERVICE  
REPORT AND CLAIM FORM

Page 2

NUMBER OF NEW ULTS SERVICE CONNECTIONS

FLAT RATE \_\_\_\_\_  
MEASURED \_\_\_\_\_  
TOTAL \_\_\_\_\_

NUMBER OF ULTS SUBSCRIBERS (TOTAL WEIGHTED-AVERAGE FOR THE CLAIM PERIOD)

FLAT RATE \_\_\_\_\_  
MEASURED \_\_\_\_\_  
TOTAL \_\_\_\_\_

NUMBER OF REGULAR ULTS SUBSCRIBERS (AS OF END OF THE CLAIM PERIOD):

\_\_\_\_\_

NUMBER OF DISABLED CUSTOMERS SUBSCRIBING TO 2 ULTS LINES (AS OF END OF THE CLAIM PERIOD):

\_\_\_\_\_

ETC ELIGIBLE TO RECEIVE FEDERAL LIFELINE AND LINK-UP SUPPORT:

YES \_\_\_\_\_ NO \_\_\_\_\_

I hereby certify that this claim, including any accompanying schedules, statements, and workpapers have been examined by me and to the best of my knowledge and belief is a true, correct and complete claim.

Signature _____	Title _____
Preparer _____	Date _____
Company _____	CPUC ID #: U-_____-C
Address _____	Phone _____
_____	

**Instructions for the  
Universal Lifeline Telephone Service (ULTS)  
Report and Claim Form**

1. Utilities shall submit the Report and Claim Form (“ULTS Claim Form”) no later than 30 days after the close of the monthly or biannual period for which a claim is made. If the 30th day falls on a weekend or holiday, the ULTS Claim Form shall be submitted on the next business day. The ULTS Claim Form must be submitted to the Telecommunications Division. Any ULTS Claim Forms received after the 30-day deadline will be processed during the next claim period.
2. Utilities have the burden of supporting and justifying any costs they claim. Workpapers should be provided for all claimed costs. Such workpapers, as identified in Paragraph 9 of these instructions, must be unambiguous and show how all claimed items on the Claim Form were derived. Failure to provide supporting workpapers for all claimed items will constitute reasonable grounds for rejection of such claims.
3. Utilities may only claim those costs and lost revenues identified in the body of General Order (GO) 153. Utilities shall not claim any costs or lost revenues that are prohibited by GO 153.
  - a. Competitive local exchange carriers (CLECs) may opt-in to receive their reimbursement of incremental operating expenses, which include data processing (line 16), customer notification (17), accounting (18), service representative (19) legal (20) and administrative costs associated with the deferred payment plan (22.B), based on a cost-factor developed by TD.
  - b. For details of this cost-factor, please see General Order 153, Section 9.13.
4. Utilities must report costs and lost revenues that they seek to recover from ULTS program in accordance with the instructions set forth in GO 153. Utilities shall not be reimbursed for costs and lost revenues that are not reported in the manner prescribed by GO 153.
5. Claims shall be reported to the nearest cent.
6. Utilities shall report on the ULTS Claim Form the weighted-average number of ULTS customers served by the utility during the period covered by the Claim Form. In calculating the weighted average, the “weight” of each ULTS customer shall be based on the number of days the customer was billed for ULTS during the period covered by the ULTS Claim Form. The weighted-average number of ULTS customers shall be broken down into measured-rate local service and flat-rate local service.
7. Utilities shall report on the ULTS Claim Form the number of new ULTS service connections for the period covered by the Claim form, broken down into new connections for measured-rate local service and flat-rate local service.
8. The following table summarizes the proper assessment and billing of surcharges, taxes, and fees:

<b>PROPER ASSESSMENT AND BILLING OF SURCHARGES/SURCREDITS, TAXES, AND FEES</b>				
	<u><b>Assess on ULTS services billed to ULTS customers</b></u>	<u><b>Assess on ULTS services billed to federal programs</b></u>	<u><b>Assess on ULTS services billed to ULTS Fund *</b></u>	<u><b>Assess on Other Elements</b></u>
<b>ILEC's Bill &amp; Keep /Rate Case Surcharge/Surcredit</b>	Yes - Paid by Customers	Yes - Paid by ULTS	Yes - Paid by ULTS	None
<b>Public Programs Surcharges **</b>	No	No	No	None
<b>PUC User Fee</b>	Yes - Paid by Customers	Yes - Paid by ULTS	Yes - Paid by ULTS	ILEC's Bill & Keep/Rate Case Surcharge/Surcredit - Paid by ULTS
<b>Federal Excise Tax</b>	Yes except for new service connection charges - Paid by Customers	Yes except for new service connection charges - Paid by ULTS	Yes except for new service connection charges - Paid by ULTS	EUCL, ILEC's Bill & Keep/Rate Case Surcharge/Surcredit, PUC User Fee, and City & Local Taxes - Paid by ULTS
<b>911 Tax</b>	No	No	No	None
<b>City &amp; Local Taxes</b>	If ULTS services are not exempted - Paid by Customers	If ULTS services are not exempted - Paid by ULTS	If ULTS services are not exempted - Paid by ULTS	None
* ULTS services billed to the ULTS Fund include (i) ULTS connection charges, (ii) ULTS conversion charges, (lii) discounted monthly rates for local service, and (iv) untimed local calls.				
** Public Program Surcharges include California High-Cost Fund-A, California High-Cost Fund-B, California Relay Service and Communications Device Fund, California Teleconnect Fund, and Universal Lifeline Telephone Service.				
Carriers should report and bill the ULTS Fund for items identified as "Paid by ULTS".				

9. All required workpapers as identified below should be provided in Microsoft's Excel format and stored in a 3-1/2 inch diskette(s) or a compact disc(s).

Required workpapers for lost revenues reported in Lines 1 through 12 of the Claim Form:

	(Col A)	(Col B)	(Col C)	Col D)	(Col E)	(Col F)	(Col G)	(Col H)	(Col I)	(Col J)
(Row 1)	<u>Line # of the Claim Form</u>	<u>Service/Description</u>	<u>Name of ILEC where services (Col B) provided</u>	<u>ILEC's Rate/Charge (Col C)</u>	<u>Lower of Utility or ILEC's Rate/Charge (Col D)</u>	<u>Quantity</u>	<u>Total Expected Revenue</u>	<u>Amount Billed to ULTS Customers</u>	<u>Amount Billed to Federal Programs</u>	<u>Amount Billed to ULTS Fund</u>

- If any line-item (Col A) includes more than one service element, each service element should be separately identified. For example, connection charges (Line 1) may include service order and central office.
- If any service/service element (Col B) has more than one regulatory treatment, each regulatory treatment for that service should be separately identified by providing additional description. For example, the federal Link-Up program is not available to the second ULTS lines, therefore the connection charges for disabled customers (Line 7 of the Claim Form) should be further broken down by the 1<sup>st</sup> and the 2<sup>nd</sup> ULTS lines.
- The quantity (Col F) for the discounted measured-rate and flat-rate local services should be the weighted-average number of customers as defined in Paragraph 6 of these instructions.

Required Workpapers for the following operating and implementation costs:

• data processing (Lines 16/26 of the Claim Form)					• service representative costs (Lines 19/29)	
• customer notification (Lines 17/27)					• legal (Lines 20/30)	
• accounting (Lines 18/28)						
	(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)
(Row 1)	<u>Line Number of the Claim Form</u>	<u>Cost Description</u>	<u>Direct Labor</u>	<u>Direct Material</u>	<u>Equipment/Depreciation Expense</u>	<u>Overhead Indirect/Shared Costs</u>

- The implementation costs for any line-item (Col A) may include methods and procedures development, training, special customer notification, system revision, etc.
- To facilitate timely process of the Claim Form, supporting documents should be made available to TD, upon request, within 5 business days.

Required Workpaper for the recovery of bad debt costs (Line 24)

	(Col A)	(Col B)	(Col C)	(Col D)	(Col E)
(Row 1)	<u>Line Number of the Claim Form</u>	<u>Bad Debts based on Amount of Normal Required Deposit</u>	<u>Bad Debts based on Amount of Actual Bad Debt</u>	<u># of Accounts for bad debts reported in Col B or Col C</u>	<u>Repayment of Previously Claimed Bad Debts</u>

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Appendix E

TIMELINE FOR PROCESSING CUSTOMER'S ULTS QUALIFICATION

## **QUALIFICATION PROCESS**

### **New ULTS Customers (Certification):**

- 5 days from the receipt of ULTS customer data records from carriers send partially completed Certification forms to new ULTS customers.
- 30 days for customers to return completed Certification forms.
- If Certification form is not returned within 15 days, CertA sends a reminder to the customer.
- 7 days for CertA to:
  - finalize review;
  - send letters of qualification or disqualification to customers; and
  - send list of qualified and disqualified customers to carriers for appropriate billing.
- 15 days for disqualified customers to respond.
- 15 days for CertA to:
  - finalize customers' appeals;
  - send letters of qualification or disqualification to customers;
  - send list of re-qualified customers to carriers for conversion back to ULTS services from the original ULTS service date.
- 15 days for disqualified customers to complain/appeal to the CPUC.

### **Existing ULTS Customers (Verification):**

- 60 days prior to the customers' re-certification date send customers Verification forms.
- 30 days for customers to return completed Verification forms.
- 7 days for CertA to:
  - finalize review;
  - send letters of qualification or disqualification to customers;
  - flag disqualified customers for possible 2<sup>nd</sup> review and final determination;
  - send list of qualified customers to carriers.
- 15 days for disqualified customers to respond.
- 7 days for CertA to:
  - finalize customers' appeals;
  - send letters of qualification or disqualification to customers; and
  - send list of qualified and disqualified customers to carriers for appropriate billing (after 2<sup>nd</sup> review).
- For service re-grade, rate change should begin in the next bill rendered to customers after notification from CertA.
- 15 days for disqualified customers to complain/appeal to the CPUC.